

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTION
JANUARY 7, 2003**

Pursuant to lawful notice, the Commission held an open meeting at 1701 N. Congress Avenue, in Room 1-111, Austin, Texas, on the 7th day of January 2003, commencing at 9:30 a.m. Chairman Michael L. Williams and Commissioner Charles R. Matthews were present. Chairman Williams presided.

- I. The Commission began consideration of matters falling within the Railroad Commission's Gas Services Division regulatory jurisdiction.
 - A. In consideration of Gas Utilities Docket No. 9245, the formal petition and complaint seeking review of rates charged by Gulf Coast Pipeline Company, the Commission denied the motion for rehearing filed by Thornberry Oil Field Services. The recommendation to deny the motion for rehearing was presented by Assistant Director Betsy Todd.
- II. The Commission began consideration of matters falling within the Railroad Commission's Surface Mining Division's regulatory jurisdiction.
 - A. In consideration of Docket No. C3-0001-SC-11-F, the Commission approved the application of San Miguel Electric Cooperative, Inc., for release of Phase I Reclamation Obligations (Backfilling, Regrading, and Drainage Control), for 197 Acres, Permit No. 11E, San Miguel Lignite Mine, Atascosa and McMullen Counties, Texas. Approval was recommended by Examiner Marcy J. Spraggins.
- III. The Commission began consideration of matters falling within the Railroad Commission's Oil and Gas regulatory jurisdiction.
 - A. The Commission took the following action on applications appearing on the protested docket of the Oil and Gas Division:
 1. In consideration of Docket No. 03-0231131, the Commission denied the application of Smith Energy 1986A Partnership for increased gas-oil ratio authority for its Stewart Maco /A/ Lease, Well No. 4, Gillock (Big Gas) Field, Galveston County, Texas. Denial was recommended by Examiner Margaret Allen.

2. In consideration of Docket No. 01-0231248, Examiner Mark Helmueller recommended the Commission grant the motion for rehearing filed in the application of Genie Oil Company pursuant to Rule 78(d)(3) to pay a fee of \$1,000.00 as financial assurance. Commissioner Matthews made a motion to grant the motion for rehearing. The motion failed for lack of a second. No further action was taken on this matter at this time.
3. In consideration of Docket No. 01-0231512, Examiner Mark Helmueller recommended the Commission grant the motion for rehearing filed in the application of Donny Miller pursuant to Rule 78(d)(3) to pay a fee of \$1,000 as financial assurance. Commission Matthews made a motion to grant the motion for rehearing. The motion failed for lack of a second. No further action was taken on this matter at this time.
4. In consideration of Docket No. 01-0231710, Examiner Mark Tittel recommended the Commission grant the motion for rehearing filed in the application of Parker Services pursuant to Statewide Rule 78 to file P-5 financial assurance in the form of a \$1,000 fee in lieu of posting a bond for activities regulated by the Commission within the State of Texas. Commission Matthews made a motion to grant the motion for rehearing. The motion failed for lack of a second. No further action was taken on this matter at this time.
5. In consideration of Docket No. 01-0231385, Examiner Scott Petry recommended the Commission grant the motion for rehearing filed in the application of Hi-Mountain Energy Corporation pursuant to Statewide Rule 78 to file P-5 financial assurance in the form of a \$1,000 fee in lieu of posting a bond for activities regulated by the Commission within the State of Texas. . Commission Matthews made a motion to grant the motion for rehearing. The motion failed for lack of a second. No further action was taken on this matter at this time.
6. In consideration of Docket No.01-0227808, the Commission denied the motion for rehearing filed regarding the enforcement action against Ma-Stell, Inc. for violations of Statewide Rules on the Martin Watson (09429) Lease, Well Nos. 1, 2, 3 and 4, Luling-Branyon Field, Caldwell County, Texas. Denial of the motion was recommended by Examiner Mark Helmueller.
7. In consideration of Docket No. 08-0230846, the Commission denied the motion for rehearing filed regarding the enforcement action against Wanema Hopper, Sole Proprietor, Thornton Hopper Co. (Operator No. 399652) for violations of Statewide Rules on the Hazel Heirs (19857) Lease, Well No. 1, Wheat Field, Loving County, Texas. Denial of the motion was recommended by Examiner James Doherty.

8. In consideration of Docket No. 08-0230847, the Commission denied the motion for rehearing filed regarding the enforcement action against Wanema Hopper, sole Proprietor, Thornton Hopper Co. (Operator No. 399652) for violations of statewide rules on the Russell, Antha (25290) Lease, Well No. 1, and the Russell (25965) Lease, Well No. 1, Geraldine (Ford) Field, Culberson County, Texas. Denial of the motion was recommended by Examiner James Doherty.
 9. In consideration of Docket No. 08-0230845, the Commission denied the motion for rehearing filed in the enforcement action against John Cravey d/b/a JRC Petroleum (Operator No. 447978) for violations of statewide rules on the Reeves -43- (25973) Lease, Well No. 1, Reeves-Block 4 (Delaware 4430) Field, Reeves County, Texas; and Agnes (28264) Lease, Well Nos. 1, 2, and 3, Jess Burner (Delaware 3800) Field, Reeves County, Texas. Denial of the motion was recommended by Examiner James Doherty.
- B. The Commission took action on applications appearing on the unprotested docket after Chairman Williams announced that those persons interested in such matters were welcome at the bench.
- IV. The Commission began consideration of matters authorized by law including the administration, budget, procedures and personnel of the following divisions as presented by the division director or other authorized personnel.
- A. Oil and Gas: Director Rich Varela
1. The Commission approved the 2002 Oil Field Cleanup Report for submittal to the Legislature.
- B. General Counsel Lindil Fowler
1. The Commission received a briefing on the status of *Hardwick, et al., v. Railroad Commission*, Cause No. GN202946 in the district court of Travis County, 126th Judicial District, and the plans to implement the temporary injunction entered in this case.
- C. Commissioner Matthews
1. Commissioner Matthews made a motion to approve proposed revisions to the Commission's Delegation of Authority Policy. The motion failed for lack of a second.
 2. The Commission discussed Rule 78, Bay and Offshore Wells – Bonding Requirements and Commissioner Matthews made a motion to hold a public hearing in Houston, Texas to allow affected persons to comment on the proposal for the rule. Chairman Williams seconded the motion.

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3. Commissioner Matthews made a motion to adopt proposed new rules in Chapter 4, Subchapter F, relating to Oil and Gas NORM (Naturally Occurring Radioactive Material). The motion failed for lack of a second.
- V. With no further business to come before the Commission at this time, the conference was adjourned at 10:45 a.m.